you add that decision to what has happened on the floor of the Senate, my concerns are increasing.

Recently, the Bureau of Labor Statistics reported that the unemployment rate in January had gotten to 7.6 percent, including 598,000 jobs lost in January. This is the highest unemployment rate in 17 years. We know and expect it will go higher—hopefully, not a whole lot higher, but certainly those trends are not good.

Immigration by illegal immigrants and other poorly educated aliens has a serious and depressing effect on the standard of living of low-skilled, hard-working Americans, and I will tell you that is a fact. The United States Commission on Immigration Reform, chaired by the late civil rights pioneer, Barbara Jordan, found that immigration of unskilled immigrants comes at a cost to unskilled U.S. workers. I don't think there is any doubt about that.

The Center for Immigration Studies has estimated that such immigration has reduced the wage of the average native-born worker in a low-skilled occupation by 12 percent or $2,000 a year. It may not impact people in universities and Senators, but hard-working Americans are having to compete against persons who are willing to work for so much less and who often are being taken advantage of.

I just give this aside: I talked to the CEO of a company—a family company. They do right-of-way clearing and other type work of that kind for utilities in States and counties. He said they have had good employees. They have hired them for many years. They pay retirement and health care benefits and competitive wages. All of a sudden, just a few years ago, they started losing bid after bid after bid. They could not understand how the competitor could bid so low. They began to look into it, and it appears, quite clear to him, the reason a company from Texas was able to outbid him was because they were paying their employees much less, and he believes many of them were illegally in the country. Now, how did that help his employees? He may be forced to go out of business simply because he was obeying the law.

In addition, a Harvard economist, Professor George Borjas, who has written a book on this subject—himself a Cuban refugee; at a young age he came from Cuba—has estimated that immigration in recent decades has reduced the wages of native-born workers without a high school degree by 8.2 percent.

Doris Meissner, former head of INS—the immigration service—under President Clinton, wrote this in February of this year:

> Mandatory employer verification must be at the center of legislation to combat illegal immigration. The E-Verify system provides a valuable tool for employers who are trying to comply with the law. E-Verify also provides an opportunity to determine the best electronic means to implement verification requirements. The administration should support reauthorization of E-Verify and expand the program.

That is Doris Meissner, who is certainly a moderate on immigration issues. She served under President Clinton and said just recently this is a key thing for us to do.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SESSIONS. I thank the Chair, and I would suggest finally that these are very important issues for American citizens. We need to speak out clearly on them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, we are in a period of morning business, up to 10 minutes?

The PRESIDING OFFICER. The Senator is correct.

STIMULUS CONFERENCE REPORT

Mr. BUNNING. Mr. President, I rise to speak on the conference report to the so-called stimulus bill. While we have not seen the actual bill, the outlines of the final agreement are available, and not much has changed from the bill since it passed the Senate earlier this week. The bill will still cost more than $1 trillion over the next 10 years after interest on the borrowed money necessary to finance the bill is added. This is $1 trillion added to our national debt and $1 trillion we have to take away from our American workers in the future to pay off that debt. That is why the bill also raises the limit on the national debt to over $12 trillion. That is almost a $2 trillion increase in the national debt.

But $1 trillion of new debt is not the whole story. Many of the tax and spending provisions in this bill last only a few months or years. The President and many in Congress have promised to extend those provisions or even make them permanent. Obviously, that means the cost of the bill as written does not show the true cost of the changes it puts in place. In fact, in a letter sent yesterday, the Congressional Budget Office said that when you add in the cost of extending the programs the President has promised to extend, the total cost of the bill over the next 10 years is actually $2½ trillion. Add the interest on that $2½ trillion of new debt, and the bill will cost the taxpayer $3.3 trillion over the next 10 years. That is $3.3 trillion we will have to tax our children, my grandchildren and your grandchildren, and our neighbors.

It is true the conference report is a bit smaller than the House-passed bill, so those numbers will have to be figured again when the final language is available, but they are close enough to understand the massive size of this debt spending bill.

If all this new debt spending would actually fix the economy and create jobs, it might be worth it. But that is not what is going to happen. Even the Congressional Budget Office agrees with that. In another letter they sent yesterday, they said the bill will reduce—you heard me right—reduce GDP over the long term. They also estimated it will lower wages over the long term because Government spending now will take money away from productive use by the private sector later.

We cannot spend our way out of this crisis. The solution to the crisis that was created by too much debt is not more debt, and America cannot afford to waste several trillion dollars. If we really want to stimulate the economy, we need to focus our attention on tax cuts for individuals, investments, and businesses. We need to enact legislation that will have a direct and immediate impact. We need a bill that will create more jobs through targeted tax relief, not a bill that will spend money on programs that offer no immediate or long-term return to the American taxpayer. We could have done that on this bill, but the majority refused to work with the minority to craft a truly bipartisan bill. In all of Congress, there were only 3 members of the minority who supported this flawed spending bill, and 3 out of 218 does not make this a bipartisan bill.

I hope the actual bill is made available with time for Senators and the American public to examine it before we vote. I cannot support the conference report that has been described by the House and Senate leadership, and I hope we can do better the next time.

I ask unanimous consent that the two letters from the Congressional Budget Office that I mentioned earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 11, 2009.

Hon. PAUL RYAN,
Ranking Member, Committee on the Budget, House of Representatives, Washington, DC.

DEAR CONGRESSMAN, as you requested, the Congressional Budget Office and the Joint Committee on Taxation have estimated the impact of permanently extending more than 20 of the provisions contained in H.R. 1, the American Recovery and Reinvestment Act of 2009, as passed by the House of Representatives. As specified in H.R. 1 as passed, those provisions would either explicitly expire or would specify appropriations only for a limited number of years (usually 2009 and 2010).

CBO estimates that H.R. 1, as passed by the House of Representatives, would increase budget deficits by about $820 billion over the 2009–2019 period; we estimate that permanently extending the programs you identified would increase the cumulative deficit over that period by another $1.7 trillion (see attached table).

As you requested, the Congressional Budget Office has also estimated the costs of debt service that would result from enacting the bill with these extensions. Such costs are not included in CBO's cost estimates for individual pieces of legislation and are not counted for Congressional scorekeeping purposes for such legislation. If the specified provisions of H.R. 1 are continued, under

CBO's current economic assumptions and assuming that none of the direct budgetary effects of the legislation are offset by future legislation, CBO estimates that enacting the bill would increase the government's interest costs by a total of about $745 billion over the 2009–2019 period.

I hope this information is helpful to you. If you would like further details about this estimate, the CBO staff contacts are Christi Hawley Anthony and Barry Blom.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

ESTIMATED COST OF EXTENDING CERTAIN PROVISIONS OF H.R. 1, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009, AS SPECIFIED BY CONGRESSMEN RYAN AND CAMP

		(By fiscal year, in billions of dollars)—											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total, 2009–2019
Revenues:													
Making Work Pay Tax Credit	....	0	0	−39	−56	−57	−58	−58	−58	−58	−58	−58	−498
Expansion of EITC	....	0	0	0	−1	−1	−1	−1	−1	−1	−1	−1	−9
American Opportunity Education Tax Credit	....	0	0	−1	−6	−6	−6	−6	−6	−6	−6	−6	−51
Renewable Energy Production Credit	....	0	0	0	0	0	−1	−1	−2	−3	−4	−5	−15
UC Interaction with Health Care Coverage for the Unemployed	....	0	0	*	*	*	*	*	*	*	*	*	3
Total, Revenues	....	0	0	−40	−64	−64	−65	−66	−67	−68	−69	−69	−571
Direct Spending:													
Child Support Enforcement	BA	0	0	1	1	1	1	1	1	1	1	1	6
	OT	0	0	1	1	1	1	1	1	1	1	1	6
Medicaid for the Unemployed	BA	0	3	7	7	7	8	8	8	9	10	11	78
	OT	0	3	7	7	7	8	8	8	9	10	11	78
Health Care Coverage for the Unemployed under COBRA	BA	0	7	13	14	13	12	12	12	12	12	12	121
	OT	0	7	13	14	13	12	12	12	12	12	12	121
Medicaid FMAP Increase	BA	0	0	34	43	32	29	31	33	35	38	42	316
	OT	0	0	34	43	32	29	31	33	35	38	42	316
Increase in Funding for SNAP [1]	BA	0	5	8	9	10	12	11	11	11	11	11	99
	OT	0	5	8	9	10	12	11	11	11	11	11	99
Foster Care (part of FMAP increase)	BA	0	0	0	0	0	0	0	0	1	1	1	5
	OT	0	0	0	0	0	0	0	0	1	1	1	5
Increase in Funding for SSI Payments	BA	0	4	5	5	5	5	5	5	5	6	6	51
	OT	0	4	5	5	5	5	5	5	5	6	6	51
UC Interaction with Health Care Coverage for the Unemployed	BA	0	*	*	*	*	*	*	*	*	1	1	4
	OT	0	*	*	*	*	*	*	*	*	1	1	4
Making Work Pay Tax Credit	BA	0	0	1	18	18	18	18	18	18	18	18	144
	OT	0	0	1	18	18	18	18	18	18	18	18	144
Earned Income Tax Credit	BA	0	0	0	3	3	3	3	3	3	3	3	26
	OT	0	0	0	3	3	3	3	3	3	3	3	26
American Opportunity Education Tax Credit	BA	0	0	*	2	1	1	1	1	1	1	1	11
	OT	0	0	*	2	1	1	1	1	1	1	1	11
Subtotal, Direct Spending	BA	0	20	69	102	92	90	91	94	97	101	105	861
	OT	0	20	69	102	92	90	91	94	97	101	105	861
Discretionary Spending:													
Pell Grants and College Work Study [2]	BA	0	0	4	4	4	4	4	4	5	5	3	37
	OT	0	0	1	4	4	4	4	4	4	5	5	35
Head Start	BA	0	0	1	1	1	1	1	1	1	1	1	5
	OT	0	0	*	0	0	0	1	1	1	1	1	4
Early Head Start	BA	0	0	1	1	1	1	1	1	1	1	1	5
	OT	0	0	*	*	*	*	1	1	1	1	1	4
Title 1 Help for Disadvantaged Kids	BA	0	0	7	7	7	7	7	7	7	7	8	63
	OT	0	0	*	4	6	7	7	7	7	7	7	53
Education for Homeless Children & Youth	BA	0	0	*	*	*	*	*	*	*	*	*	*
	OT	0	0	*	*	*	*	*	*	*	*	*	*
IDEA Special Education [3]	BA	0	0	7	7	8	8	8	8	8	8	9	71
	OT	0	0	*	4	7	8	8	8	8	8	8	59
CCDBG	BA	0	0	1	1	1	1	1	1	1	1	1	10
	OT	0	0	*	1	1	1	1	1	1	1	1	9
NSF Employment in Science and Engineering	BA	0	3	3	3	3	3	3	3	3	3	3	28
	OT	0	*	2	2	2	3	3	3	3	3	3	24
NIH Funding for Biomedical Research	BA	0	3	3	3	4	4	4	4	4	4	4	36
	OT	0	*	2	3	3	3	4	4	4	4	4	30
Increased Funding for Prevention and Wellness [4]	BA	0	0	2	2	2	2	2	2	2	2	3	21
	OT	0	0	1	2	2	2	2	2	2	2	2	19
Increased Funding for Senior Nutrition	BA	0	0	*	*	*	*	*	*	*	*	*	1
	OT	0	0	*	*	*	*	*	*	*	*	*	1
Increased Funding for LIHEAP	BA	0	0	1	1	1	1	1	1	1	1	1	10
	OT	0	0	1	1	1	1	1	1	1	1	1	9
Expansion of Americorps	BA	0	*	*	*	*	*	*	*	*	*	*	2
	OT	0	*	*	*	*	*	*	*	*	*	*	2
Increase in Funding for State & Local Law Enforcement	BA	0	3	3	3	3	3	3	3	3	3	4	33
	OT	0	1	2	2	3	3	3	3	3	3	3	27
Subtotal, Discretionary Spending	BA	0	8	33	33	34	34	35	36	36	37	36	323
	OT	0	1	9	24	31	33	34	35	35	36	37	276
Total Increase in the Deficit from Extensions	....	0	21	118	190	187	188	192	195	200	205	212	1,708
Increase in the Deficit from H.R. 1 as Passed	....	170	356	175	49	26	24	11	*	1	3	4	820
Total Impact of H.R. 1 with Extension of Certain Provisions	....	170	377	293	239	213	212	203	196	201	208	215	2,527
Memorandum:													
Debt Service on H.R. 1 as Passed with Extensions	....	1	4	13	30	51	68	84	99	115	131	149	744

[1] H.R. 1 would increase the maximum SNAP benefit by 13.6% in 2009 and hold it steady until the impact of annual indexing has exceeded that increase. For this estimate, CBO assumed that the maximum benefit would increase by 13.6% in 2009 and that benefits would be indexed annually from this new, higher base.

[2] Includes CBO's estimate of the cost of raising the maximum award for the Pell Grant Program from $4,241 under current law to $4,860 under H.R. 1. In addition, this estimate inflates the level of budget authority appropriated for the College Work Study Program in 2011.

[3] Includes higher funding for infants and special education.

[4] Assumes the level of funding provided in 2009 will be provided in each year, adjusted for inflation, beyond 2010.

Notes: EITC = Earned Income Tax Credit; COBRA = Consolidated Omnibus Budget Reconciliation Act; FMAP = Federal Medical Assistance Percentage; SSI = Supplemental Security Income; IDEA = Individuals with Disabilities Education Act; CCDBG = Child Care Development Block Grant; NSF = National Science Foundation; NIH = National Institutes of Health; LIHEAP = Low Income Home Energy Assistance Program; SNAP = Supplemental Nutrition Assistance Program; UC = Unemployment Compensation; BA = Budget Authority; OT = Outlays; * = less than $500 million.

Sources: Congressional Budget Office and Joint Committee on Taxation.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 11, 2009.

Hon. JUDD GREGG,
Ranking Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR: At your request, the Congressional Budget Office (CBO) has prepared a year-by-year analysis of the economic effects of pending stimulus legislation. This analysis is based on an average of the effects of two versions of H.R. 1—as passed by the House and as passed by the Senate. (The economic effects of those two bills are broadly similar.)

SHORT-RUN EFFECTS

The macroeconomic impacts of any economic stimulus program are very uncertain. Economic theories differ in their predictions about the effectiveness of stimulus. Furthermore, large fiscal stimulus is rarely attempted, so it is difficult to distinguish among alternative estimates of how large the macroeconomic effects would be. For those reasons, some economists remain skeptical that there would be any significant effects, while others expect very large ones.

CBO has developed a range of estimates of the effects of stimulus legislation on gross domestic product (GDP) and employment that encompasses a majority of economists' views. By CBO's estimation, in the short run the stimulus legislation would raise GDP and increase employment by adding to aggregate demand and thereby boosting the utilization of labor and capital that would otherwise be unused because the economy is in recession. Most of the budgetary effects of the legislation would occur over the next few years, and as those effects diminished the short-run impact on the economy would fade.

LONG-RUN EFFECTS

In the long run, the economy produces close to its potential output on average, and that potential level is determined by the stock of productive capital, the supply of labor, and productivity. Short-run stimulative policies can affect long-run output by influencing those three factors, although such effects would generally be smaller than the short-run impact of those policies on demand.

In contrast to its positive near-term macroeconomic effects, the legislation would reduce output slightly in the long run, CBO estimates, as would other similar proposals. The principal channel for this effect is that the legislation would result in an increase in government debt. To the extent that people hold their wealth as government bonds rather than in a form that can be used to finance private investment, the increased debt would tend to reduce the stock of productive private capital. In economic parlance, the debt would ''crowd out'' private investment. (Crowding out is unlikely to occur in the short run under current conditions, because most firms are lowering investment in response to reduced demand, which stimulus can offset in part.) CBO's basic assumption is that, in the long run, each dollar of additional debt crowds out about a third of a dollar's worth of private domestic capital (with the remainder of the rise in debt offset by increases in private saving and inflows of foreign capital). Because of uncertainty about the degree of crowding out, however, CBO has incorporated both more and less crowding out into its range of estimates of the long-run effects of the stimulus legislation.

The crowding-out effect would be offset somewhat by other factors. Some of the legislation's provisions, such as funding for improvements to roads and highways, might add to the economy's potential output in much the same way that private capital investment does. Other provisions, such as funding for grants to increase access to college education, could raise long-term productivity by enhancing people's skills. And some provisions would create incentives for increased private investment. According to CBO's estimates, provisions that could add to long-term output account for between one-fifth and one-quarter of the legislation's budgetary cost.

The effect of individual provisions could vary greatly. For example, increased spending for basic research and education might affect output only after a number of years, but once those investments began to boost GDP, they might pay off over more years than would the average investment in physical capital (in economic terms, they have a low rate of depreciation). Therefore, in any one year, their contribution to output might be less than that of the average private investment, even if their overall contribution to productivity over their lifetime was just as high. Moreover, although some carefully chosen government investments might be as productive as private investment, other government projects would probably fall well short of that benchmark, particularly in an environment in which rapid spending is a significant goal. The response of state and local governments that received federal stimulus grants would also affect their long-run impact; those governments might apply some of that money to investments they would have carried out anyway, thus lowering the long-run economic return on those grants. In order to encompass a wide range of potential effects, CBO used two assumptions in developing its estimates: first, that all of the relevant investments together would, on average, add as much to output as would a comparable amount of private investment, and second, that they would, on average, not add to output at all.

In principle, the legislation's long-run impact on output also would depend on whether it permanently changed incentives to work or save. However, according to CBO's estimates, the legislation would not have any significant permanent effects on those incentives.

NET EFFECTS ON OUTPUT AND EMPLOYMENT

Taking all of the short- and long-run effects into account, CBO estimates that the legislation implies an increase in GDP relative to the agency's baseline forecast of between 1.4 percent and 3.8 percent by the fourth quarter of 2009, between 1.1 percent and 3.3 percent by the fourth quarter of 2010, between 0.4 percent and 1.3 percent by the fourth quarter of 2011, and declining amounts in later years (see Table 1). Beyond 2014, the legislation is estimated to reduce GDP by between zero and 0.2 percent. This long-run effect is slightly smaller than CBO estimated in its preliminary analysis of the Senate stimulus legislation last week due to refinements in our methodology.

Correspondingly, the legislation would increase employment by 0.8 million to 2.3 million by the fourth quarter of 2009, by 1.2 million to 3.6 million by the fourth quarter of 2010, by 0.6 million to 1.9 million by the fourth quarter of 2011, and by declining numbers in later years. The effect on employment is never estimated to be negative, despite lower GDP in later years, because CBO expects that the U.S. labor market will be at nearly full employment in the long run. The reduction in GDP is therefore estimated to be reflected in lower wages rather than lower employment, as workers will be less productive because the capital stock is smaller.

I hope this information is helpful to you. If you have any further questions, I would be glad to answer them. The staff contacts for the analysis are Ben Page and Robert Arnold, who may be reached at (202) 226–2750.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

TABLE 1.—ESTIMATED MACROECONOMIC IMPACTS OF A STIMULUS PACKAGE (AVERAGE OF HOUSE-PASSED AND SENATE-PASSED VERSIONS OF H.R.1), FOURTH QUARTERS OF CALENDAR YEARS 2009 THROUGH 2019

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real GDP (Percentage change from baseline):											
Low estimate of effect of plan	1.4	1.1	0.4	0.1	0.0	−0.1	−0.2	−0.2	−0.2	−0.2	−0.2
High estimate of effect of plan	3.8	3.3	1.3	0.7	0.4	0.3	0.0	0.0	0.0	0.0	0.0
GDP Gap[1] (Percent):											
Baseline	−7.4	−6.3	−4.1	−2.2	−0.7	−0.1	0.0	0.0	0.0	0.0	0.0
Low estimate of effect of plan	−6.2	−5.3	−3.7	−2.0	−0.6	−0.1	0.0	0.0	0.0	0.0	0.0
High estimate of effect of plan	−3.9	−3.2	−2.9	−1.7	−0.4	0.0	0.0	0.0	0.0	0.0	0.0
Unemployment Rate (Percent):											
Baseline	9.0	8.7	7.5	6.4	5.5	5.0	4.8	4.8	4.8	4.8	4.8
Low estimate of effect of plan	8.5	8.1	7.2	6.3	5.4	5.0	4.8	4.8	4.8	4.8	4.8
High estimate of effect of plan	7.7	6.8	6.5	6.0	5.3	4.9	4.8	4.8	4.8	4.8	4.8
Employment (Millions of jobs):											
Baseline	141.6	143.3	146.2	149.3	152.1	153.9	154.9	155.7	156.4	157.0	157.7
Low estimate of effect of plan	142.4	144.5	146.8	149.6	152.2	154.0	154.9	155.7	156.4	157.0	157.7
High estimate of effect of plan	143.9	146.9	148.1	150.1	152.5	154.2	154.9	155.7	156.4	157.0	157.7

[1] Real GDP is gross domestic product, excluding the effects of inflation. The GDP gap is the percentage difference between gross domestic product and CBO's estimate of potential GDP. Potential GDP is the estimated level of output that corresponds to a high level of resource—labor and capital—use. A negative gap indicates a high unemployment rate and low utilization rates for plant and equipment.

Source: Congressional Budget Office.

Mr. BUNNING. I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. SHAHEEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Hampshire is recognized.

STIMULUS PACKAGE

Mrs. SHAHEEN. Mr. President, I rise today in support of the economic recovery package on which we will soon vote. We are in the midst of the most severe recession since the Great Depression. Families and small businesses across this country and in my home State of New Hampshire are hurting. As a former Governor and small business owner, I know it is business and not government that creates jobs and drives new ideas and innovation. But I believe government has a vital role to play in helping business create jobs, especially in these very difficult economic times.

These are very difficult economic times. New Hampshire is a small State. We have just over 1.3 million people. Yet, in December alone, nearly 73,000 weekly claims were filed for unemployment compensation. As you can see on this chart, that is more than double the number of unemployment claims of a year ago and almost triple what the unemployment claims were 2 years ago. Nationally, we lost almost 600,000